NEXT IAS

DAILY EDITORIAL ANALYSIS

TOPIC

CHANGING LANDSCAPE OF EMPLOYMENT IN INDIA

CHANGING LANDSCAPE OF EMPLOYMENT IN INDIA

Context

- India faces persistent challenges in integrating these graduates into meaningful, stable employment, despite the large talent pool graduated across India every year.

India's Employment Landscape

- **Youth Employment Crisis:** According to the *India Employment Report 2024* by the International Labour Organization (ILO) and Institute for Human Development (IHD), youth account for **83% of India's unemployed population.**
  - Over half of graduates are not job-ready, lacking basic digital and professional skills.
  - Only about 3.7% of the workforce has formal vocational training.
- *Economic Survey 2023–24* further underscores by stating that **only half of India's youth are job-ready post-graduation**.
  - Many lack essential digital and professional skills — at a time when AI and technological change are disrupting traditional job roles, especially in the tech sector.
- **Formal vs Informal Work:** Employees' Provident Fund Organisation (EPFO) data shows steady rise in formal sector participation, especially among **youth aged 18–25.**
  - 90% of employment remains informal, with limited social protection. (*India Employment Report 2024*)
  - Young professionals, especially fresh graduates, dominate new enrolments.
- **Digital Deficiencies Among Youth:** Digital illiteracy is a major hurdle:
  - **About 75%** of youth struggle with sending an email with an attachment.
  - **Nearly 60%** can't perform basic file operations.
  - **Almost 90%** lack spreadsheet skills such as using formulas.
- These deficits are alarming given the *World Economic Forum's Future of Jobs Report 2025*, which predicts:
  - **170 million new jobs by 2030** (14% of total employment);
  - **92 million jobs displaced** (8%);
  - Net **growth of 78 million jobs**, requiring new skills and competencies.
- **Structural Challenges:**
  - Jobless growth continues despite India becoming one of the world's largest economies.
  - Automation and AI threaten traditional roles, especially in tech and services.
  - Gender gaps and social inequities persist, with SC/ST communities overrepresented in low-paid, informal jobs.

Related Key Efforts & Initiatives

- **Skill Development & Training:**
  - **Pradhan Mantri Kaushal Vikas Yojana (PMKVY):** Offers short-term skill training aligned with industry needs.
  - **National Apprenticeship Promotion Scheme (NAPS):** Incentivizes employers to engage apprentices.
  - **Jan Shikshan Sansthan (JSS):** Targets non-formal skill training for disadvantaged groups.
  - **Craftsman Training Scheme (CTS):** Operates through ITIs to build technical skills.
- **Employment Generation Schemes:**
  - **MGNREGS:** Provides 100 days of wage employment annually to rural households.
  - **Prime Minister's Employment Generation Programme (PMEGP):** Supports micro-enterprises and self-employment.
  - **Deen Dayal Antyodaya Yojana (DAY-NULM & DDU-GKY):** Focuses on urban and rural livelihoods respectively.

- **Production-Linked Incentive (PLI) Scheme:** 1.97 lakh crore outlay across 14 sectors to boost manufacturing and create 60 lakh jobs over five years.
- **Budget 2024–25:** 2 lakh crore package to support 4.1 crore youth over five years.
  - ◆ Internship scheme for 1 crore youth with 5,000 monthly allowance.
  - ◆ Skilling of 20 lakh youth and upgrading 1,000 ITIs.

Way Forward: Critical Reforms

- **Industry-Academia Collaboration:** Mandate formal industry partnerships for every higher education institution to **bridge the gap** between theoretical education and job skills.
- **Accountability in Higher Education:** Institutions need to be held accountable for student placements, not just academic output.
  - ◆ **Accreditation systems** should be linked to employment outcomes.
  - ◆ Labs like **Idea Labs** and **Tinker Labs** need to become standard in all schools and colleges.
- **Curriculum Modernisation:** Integrate humanities, foreign languages, and soft skills at every level of education. These skills are vital for global employability and adaptability in a rapidly changing job market.
- **Global Skilling Strategy:** Design skilling programmes aligned with international demand — especially in **ageing Western societies facing labour shortages.**
  - ◆ **Projects like** *Link4Skills* already lay the groundwork for international migration based on skill corridors.
- **Establish Indian Education Services:** A dedicated **Indian Education Services** — modelled on the IAS — should be formed to bring top talent into education policy and administration.
  - ◆ Additionally, professionals from industry need to be allowed to teach, ensuring students benefit from both academic and practical insights.

Conclusion

- Youth dividend may turn into a demographic burden, without urgent and strategic reforms in education and employment systems.
- Bridging the skill-employment gap is not just an economic imperative—it's a national priority for long-term stability and prosperity.

Source: TH

Mains Practice Question

[Q] Discuss the major factors contributing to the transformation of India's employment landscape in recent years. How have government policies and changing workforce preferences shaped this evolution?

■■■■